

<https://www.wealthmanagement.com/technology/pontera-announces-integration-envestnets-tamarac-platform>



## **Envestnet Tamarac**

### **TECHNOLOGY**

#### **Pontera Announces Integration With Envestnet's Tamarac Platform**

**The integration will enable advisors using Tamarac to more fully manage client defined contribution accounts from within the platform.**

Rob Burgess | Feb 01, 2023

On Wednesday, technology-provider Pontera announced its integration with the Envestnet | Tamarac platform.

Pontera's technology enables advisors to securely and compliantly manage their client's 401(k)s, 403(b)s and other commonly held-away accounts

It's platform is client-permissioned and enables advisors to manage held-away assets while preventing them from obtaining client credentials or directly accessing accounts.

David Goldman, Pontera's chief business officer, said they had been working with Envestnet | Tamarac on the integration "for some time" as it "has been a popular request from our advisor network."

“We both serve a broad range of clients, from the largest broker/dealers to small independent RIAs, and we’re always looking for ways to help advisors better serve their clients,” said Goldman.

Pontera has already developed integrations with Advyzon, Carson Group, GeoWealth, Morningstar Office, Orion, and SS&C (Black Diamond, Wealth Platform, APX, Axys and Geneva).

While Goldman declined to provide the specific number, he said that Pontera currently serves thousands of advisory firms. Through the Envestnet | Tamarac integration, both Envestnet and Tamarac users (that are also clients of Pontera) will be able to run householding and performance reporting across both custodied and held-away accounts.

Pontera was founded in 2012 as FeeX. In February 2022, FeeX announced it was changing its name to Pontera as it moved away from its roots of providing insights on advisory, investment and expense ratio fees following an \$80 million capital raise. The firm recentered its efforts around helping advisors manage their clients’ retirement accounts and other held-away assets. In the raise Pontera received investments from Lightspeed Venture Partners, which led funding efforts, alongside The Founders Kitchen, Hanaco Ventures, Hyperwise Ventures and Blumberg Capital.

“We have always been focused on helping people retire better,” said Goldman. “When the company was founded over a decade ago, we built a retirement account analysis platform, offering insights to consumers. Over time, we found a natural pull to enable the consumer’s trusted financial advisor to help, and, by 2018, we evolved our platform for this purpose.”

William Trout, director of wealth management at Javelin Strategy and Research, said “the aging of the investor population, economic uncertainty and tighter compliance requirements have caused advisors to revisit long-held assumptions around defined contributions plans and the 401(k).”

“They are increasingly interested in managing plan-participant assets as an alternative to recommending an IRA rollover,” said Trout. “The historically low-tech participant-advice space is becoming a flashpoint for digital innovation. Tech-savvy advisors in the burgeoning RIA space are in a particularly strong position to manage these assets, given the rise of digital advice platforms like Betterment for Advisors as well as fintech vendors like Pontera, which helps advisors manage 401(k) holdings directly using investor logins.”

Trout said that while the Pontera approach “saves time for the advisor and investor, it does present some gray areas from an information-security and hygiene perspective.”

"Time will tell, but increasingly assertive regulators may look askance at a technology firm 'borrowing' an investor's credentials to make investment decisions and getting paid on these assets," said Trout.

In an email response, Pontera's Goldman said that advisors for years have been providing compliant, proactive management of employer-sponsored accounts, including logging into the 401(k) account directly on the client's behalf.

"They have taken these steps as clients seek this level of service from their trusted wealth manager, and, at the same time, advisors have shared with us their concerns regarding the operational complexity this requires, as well as the compliance, custody and cybersecurity implications of such practices. Pontera provides an alternative, secure path for advisors to provide these comprehensive wealth management services to clients," he wrote.